

APPENDIX A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
Department of Corrections						
1	32	Establish a policy for recording the value of donated property.	N/A	Partially agree	3/1/2003	N/A
Department of Health Care Policy and Financing						
24	106	Ensure payments are made only for allowable costs under the Medicaid program by (a) continuing to monitor and document the results of the newly established procedures to randomly test pharmaceutical providers' compliance with requirements for maintaining chronological logs of the Medicaid recipient signatures, and (b) performing periodic reviews of services that require prior authorization and ensuring that MMIS system edits are properly identifying and denying services lacking the required authorization.	93.777, 93.778 (B) HHS	Agree	a. Ongoing b. 3/2003	Phil Reed (303)866-2764
25	109	Strengthen controls over the data in systems used as the basis for determining beneficiaries' eligibility to receive Medicaid services by (a) performing random testing of eligibility information in the COIN and Trails systems and making corrections as appropriate and (b) establishing procedures to ensure that COIN is updated accurately to reflect the date of death for all beneficiaries and that payments that are made after the beneficiary's death are recovered from providers.	93.777, 93.778 (E) HHS	Agree	1/2004	Phil Reed (303)866-2764

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26	111	Continue to improve controls over provider eligibility by (a) requiring the fiscal agent to review all provider files to ensure each file includes a current provider agreement and documentation of applicable provider licenses and registrations, (b) revising control procedures to ensure expenditures are made only to eligible providers, and (c) developing procedures to update provider licensing information on an annual basis to ensure its accuracy for changes that occur throughout a given year.	93.777, 93.778 (N) HHS	Agree	a. 11/1/2003 b. 2005 c. Ongoing	Phil Reed (303)866-2764
27	113	Date stamp all rate revisions and reviews when received and all rate information sent to provider facilities.	93.777, 93.778 (N) HHS	Agree	11/1/2002	Phil Reed (303)866-2764
28	114	Require that the fiscal agent generate accurate claims summary reports for settling all hospital outpatient service claims payments within a specified time frame. If reports meeting the Department's requirements are not produced within the time frame, the Department should assess liquid damages against the fiscal agent.	93.777, 93.778 (N) HHS	Agree	1/2003	Phil Reed (303)866-2764
<p style="text-align: center;">Department of Human Services and Department of Health Care Policy and Financing</p> <p style="text-align: center;">Department of Human Services</p>						
29	119	Implement procedures to ensure that only allowable costs for RTC services are paid.	93.777, 93.778 (A) (B) (E) HHS	Agree	7/1/2003	Dick Taylor (303)866-2732

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Department of Health Care Policy & Financing						
30	120	Implement procedures to ensure that only allowable costs for RTC services are paid by verifying the accuracy of RTC provider billing and payment information through periodic audits, requiring additional MMIS payment edits, and seeking to recover overpaid amounts.	93.777, 93.778 (A) (B) (E) HHS	Agree	10/2002	Joe Keebaugh (303)866-2487
31	125	Follow up on the results of the data match performed by the Office of the State Auditor between the Colorado Indigent Care Program and the Medicaid program, and seek reimbursement as appropriate.	93.777, 93.778 (P) HHS	Partially agree	7/1/2002	Joe Keebaugh (303)866-2487
32	126	Ensure that applicants for the Colorado Indigent Care Program are screened for Medicaid eligibility in all appropriate instances by training providers on Medicaid eligibility screening procedure.	93.777, 93.778 (P) HHS	Agree	7/1/2002	Joe Keebaugh (303)866-2487
33	126	Ensure post-year-end retroactive adjustments are made to charges for the Colorado Indigent Care Program by developing and implementing procedures for providers to report these adjustments.	93.777, 93.778 (P) HHS	Agree	10/31/2002	Joe Keebaugh (303)866-2487
34	131	Reduce the projected Fiscal Year 2002 payment for University Hospital to reflect the provider's overbilling of the State related to the Medicare contractual adjustments of approximately \$6.7 million and work with the Centers for Medicare and Medicaid Services to determine additional actions the State should take with respect to prior overpayments.	93.777, 93.778 (P) HHS	Agree	7/1/2002	Joe Keebaugh (303)866-2487

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
35	131	Ensure charges submitted for the Colorado Indigent Care Program are consistent with the program's intent and reported on the same basis for all providers by (a) developing formal policies regarding the basis for reported charges treatment of adjustments and (b) performing periodic on-site testing of charges and related adjustments.	93.777, 93.778 (P) HHS	Agree	a. 7/1/2002 b. No implementation date provided by the Department	Joe Keebaugh (303)866-2487
36	136	Develop and implement controls over the reimbursement process for the Colorado Indigent Care Program (CICP) by (a) applying the reimbursement methodology consistently to all providers within each CICP provider category and documenting the reasons for any exceptions; (b) obtaining audited information on which to base providers' cost-to-charge ratios; (c) requiring, in instances where audited information is not available, that providers submit all necessary supporting documentation; and (d) informing providers about all policies and procedures related to determining provider reimbursements.	93.777, 93.778 (P) HHS	Agree	10/31/2002	Joe Keebaugh (303)866-2487

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37	139	Improve controls over the certification process for the Colorado Indigent Care Program (CICP) by (a) formally documenting annual comparisons of certified public expenditures by each provider to the provider's actual CICP write-off costs, (b) obtaining confirmation from the federal Centers for Medicare and Medicaid Services on whether shortfalls in certified expenditures under Component 1A may be offset by excess certifiable expenditures under a different amendment to the State Plan, (c) informing providers of the purpose of certification and that expenditures cannot be certified if they are reimbursed by other federal funds, and (d) requiring that providers include an assurance in each quarterly certification letter stating that no federal funds were received as reimbursement for the certified expenditures, other than those through CICP.	93.777, 93.778 (P) HHS	Partially agree	a. Not applicable b. 7/1/2002 c. 7/1/2002 d. 7/1/2002	Joe Keebaugh (303)866-2487

Department of Higher Education

Colorado Historical Society

2	35	Perform a complete physical inventory at fiscal year-end or another specified time.	N/A	Agree	6/30/2003	N/A
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University of Colorado Health Sciences Center						
38	142	Strengthen controls over the student reconciliation process. Specifically, (a) controls should be formalized into written policies and procedures and should be clearly communicated to Bursar's Office staff; (b) controls should be periodically reviewed to ensure they are being followed consistently and appropriately; and (c) the Office of the Bursar should work to clear outstanding reconciling items between the Student Information System, the loan servicer, and the general ledger, on a timelier basis.	84.038, 84.268, 93.342, 93.364 (P) DOE, HHS	Agree	12/31/2002	Mary Catherine Gaisbauer (303)492-9712
University of Southern Colorado						
39	147	For the Federal Perkins Loan Program (a) strengthen procedures to ensure that adequate documentation is obtained from borrowers to support financial hardship for deferment or cancellation of student loans, (b) modify its loan collection program to ensure that the date a student loan enters repayment status is calculated in accordance with federal guidelines, and (c) strengthen procedures to ensure that student withdrawal information is reported to the National Student Loan Data System for all students.	84.038, (N) DOE	Agree	a. 11/2002 b. 3/2003 c. 1/2003	Valerie Borge (719)549-2133
Pikes Peak Community College						
40	151	Establish procedures to ensure that professional judgments are clearly based on the supporting documentation received from the students and that the professional judgments are adequately documented, providing a clear audit trail.	84.063 (E) DOE	Agree	6/2003	Marianne Berdon (719)540-7603

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Front Range Community College Trinidad State Junior College						
41	152	Front Range Community College should establish procedures to ensure that all graduating Federal Direct Loan borrowers who do not complete exit counseling before graduating receive written exit counseling materials within 30 days following their graduation. Front Range Community College and Trinidad State Junior College should establish procedures to ensure that exit counseling is provided to borrowers who cease at least half-time attendance.	84.032, 84.268 (N) DOE	Agree	6/2003	Mike Kupcho (303)404-5546 Stacey Stacy (719)846-5691
Trinidad State Junior College						
42	153	Establish procedures to ensure that the withdrawal dates of students who withdraw without providing notification are determined at the latest within 30 days after the end of the term.	84.063 (N) DOE	Agree	6/2003	Stacey Stacy (719)846-5691
Front Range Community College						
43	154	Establish procedures to ensure that the institution's portion of a student's unearned Title IV funds are returned within 30 days after the school has determined a student has withdrawn.	84.007, 84.033, 84.063 (N) DOE	Agree	6/2003	Mike Kupcho (303)404-5546
Front Range Community College - Westminster						
44	155	Establish procedures to ensure students are requested to repay required grant overpayments.	84.007, 84.033, 84.063 (N) DOE	Agree	6/2003	Mike Kupcho (303)404-5546

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
Community College of Denver						
45	156	Establish procedures to ensure that Return of Title IV Funds calculations are made properly and to ensure that the school's portion of the unearned aid is returned. This should include a review of all Title IV Funds calculations during the period in question, and errors should be corrected and appropriate action taken.	84.007,84.033, 84.063 (N) DOE	Agree	6/2003	Kevin Callision (303)352-3012
Front Range Community College						
46	157	Establish procedures to ensure that the proper institutional charges are used in the Return of Title IV Funds calculations.	84.007,84.033, 84.063 (N) DOE	Agree	6/2003	Mike Kupcho (303)404-5546
Community College of Denver Pikes Peak Community College Pueblo Community College Front Range Community College - Larimer						
47	158	Establish procedures to ensure that Spring Break is properly excluded from the Return of Title IV Funds calculations.	84.007,84.033, 84.063 (N) DOE	Agree	6/2003	Kevin Callision (303)352-3012 Marianne Berdon (719)540-7603 Colleen Armstrong (719)549-3211 Mike Kupcho (303)404-5546

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Pikes Peak Community College						
48	159	Establish procedures to ensure that the Eligibility Certification Approval Report is kept available for review by auditors.	84.007, 84.033, 84.063 (N) DOE	Agree	6/2003	Marianne Berdon (719)540-7603
Trinidad State Junior College						
49	161	Consider the need to automate the award packaging process and consider the need for additional mitigating controls to ensure proper segregation of duties for carrying out the SFA programs.	84.007, 84.033, 84.063 (E) DOE	Agree	6/2003	Stacey Stacy (719)846-5691
Colorado Community College System						
50	162	Evaluate the student financial aid findings noted above, and ensure all colleges are in compliance and have adequate internal control over the areas noted. Develop systemwide policies to address key student financial requirements such as Return of Title IV Funds and professional judgments.	84.007, 84.033, 84.038, 84.063 (P) DOE	Agree	6/2003	Fiftwo Baldwin (303)595-1600
Colorado Community College System						
51	164	Ensure funds are disbursed to subrecipients only on an as-needed basis and only reimburse subrecipients for amounts expended on allowable costs, where the expenditures are adequately documented.	84.048 (B)(C) DOE	Agree	6/2003	Fiftwo Baldwin (303)595-1600

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Colorado Community College System						
52	165	Strengthen monitoring procedures and the documentation over subrecipients receiving funds for the Carl Perkins - Vocational Education program.	84.048 (B)(M) DOE	Agree	6/2003	Fiftwo Baldwin (303)595-1600
Colorado Community College System						
53	166	Strengthen controls over its cash management process to ensure requests for reimbursement are for costs incurred.	84.342 (C) DOE	Agree	6/2003	Fiftwo Baldwin (303)595-1600

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Colorado School of Mines						
54	168	Develop subrecipient monitoring documentation policies and procedures to ensure that subrecipient files are properly maintained and monitored.	10.206, 11.430, 11.612, 12.300, 12.431, 12.800, 12.910, 15.010, 15.141, 15.144, 15.808, 15.809, 45.312, 47.041, 47.049, 47.050, 47.070, 47.075, 47.076, 47.078, 66.500, 66.606, 81.003, 81.049, 81.086, 81.112, 84.116, 84.200 (M) CSREES, NOAA, NIST, DOD, DARPA, BIA, DOI, IMLS, NSF, EPA, DOE	Agree	04/2003	Glen Nelson (303)273-3262

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
55	169	Follow the policies and procedures to ensure close-out procedures are documented for each project completed to prevent erroneous expenses being charged to these projects and ensure compliance with all applicable laws and regulations.	10.206, 11.430, 11.612, 12.300, 12.431, 12.800, 12.910, 15.010, 15.141, 15.144, 15.808, 15.809, 45.312, 47.041, 47.049, 47.050, 47.070, 47.075, 47.076, 47.078, 66.500, 66.606, 81.003, 81.049, 81.086, 81.112, 84.116, 84.200 (P) CSREES, NOAA, NIST, DOD, DARPA, BIA, DOI, IMLS, NSF, EPA, DOE	Agree	01/2003	Glen Nelson (303)273-3262
56	170	Develop a process for reviewing financial aid awards to ensure that Pell Grants are awarded in the correct amount.	84.063 (E) DOE	Agree	03/2003	Glen Nelson (303)273-3262
57	171	Develop policies and procedures to help ensure that all communications with National Student Loan Data System are complete, accurate, and timely.	84.032 (N) DOE	Agree	02/2003	Glen Nelson (303)273-3262
Student Loan Division						
58	172	Ensure that all new processes affecting the default aversion fee billing system are adequately tested to avoid unforeseen impacts on the system and possible errors.	84.032 (L)(N) DOE	Agree	07/2002	Sherry Gansert (303)305-3272

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59	173	Develop procedures to ensure that default aversion fees are computed on the correct base amounts.	84.032 (L)(N) DOE	Agree	07/2002	Sherry Gansert (303)305-3272
60	175	Refund excess interest to borrowers and develop and implement procedures to detect and correct interest calculation transactions.	84.032 (L)(N) DOE	Agree	09/2002	Sherry Gansert (303)305-3272
Department of Human Services						
3	40	Improve controls over the preparation of fiscal year-end exhibits submitted to the State Controller's Office to ensure that information is accurate and complete.	N/A	Agree	8/1/2003	N/A
61	180	Continue to improve its cash management for federal programs by ensuring federal draws are made timely and in accordance with the CMIA agreement.	10.551, 10.555, 10.561, 84.126, 93.558, 93.563, 93.568, 93.575, 93.596, 93.658, 93.667, 93.959, 96.001 (C) HHS, USDA, DOE, SSA	Agree	3/31/2003	Dick Taylor (303)866-2732
62	182	Strengthen the payment review process within the TANF program to ensure expenditures are consistent with supporting documentation, paid timely and charged to the correct fiscal year, and coded to the proper account.	93.558 (A)(B) HHS	Agree	1/31/2003	Dick Taylor (303)866-2732

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
63	184	Reinstitute and maintain a quality assurance review process over those children receiving in-home and short-term out-of-home Foster Care services.	93.658 (M) HHS	Agree	1/1/2003	Dick Taylor (303)866-2732
64	187	Work to achieve a greater degree of accountability related to Medicaid-reimbursable case management services provided by child placement agencies.	93.777, 93.778 (A) (B) (M) HHS	Agree	6/30/2003	Dick Taylor (303)866-2732
65	200	Ensure that child placement agencies are meeting state and federal requirements related to how public foster care funds can be spent.	93.658 (A) (M) HHS	Partially agree	12/31/2003	Dick Taylor (303)866-2732
66	205	Ensure that counties pay child placement agencies a reasonable level of compensation based upon individual cost experiences.	93.658 (B) HHS	Partially agree	7/1/2003	Dick Taylor (303)866-2732
67	208	Ensure that the Department submits reimbursement claims that include all federal Title IV-E funds available to the State.	93.658 (B) HHS	Agree	1/1/2003	Dick Taylor (303)866-2732
68	208	Ensure that counties' placement data entry and processes result in the Department's accessing all federal Title IV-E funds available to the State.	93.658 (B) HHS	Partially agree	1/1/2003	Dick Taylor (303)866-2732

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69	212	Eliminate duplicate records within Trails and enhance input controls by (a) performing regular search processes to identify possible duplicate records and communicating results to counties; (b) providing training to counties over the process of communicating duplication errors to the State; (c) following up with counties to ensure counties are actively resolving duplications; (d) implementing an outlined, specific methodology for county staff to use during the search process; (e) enhancing the search engine; (f) implementing detection controls; and (g) establishing a process where referral information without a valid social security number would be considered a temporary record.	93.658 93.659 (A)(B)(L) HHS	Partially agree	a. 2/2003 b. 3/2003 c. 6/2003 d. Implemented e. In progress f. In progress g. In progress	Dick Taylor (303)866-2732
70	216	Take immediate steps to investigate and resolve the \$650,000 in outstanding credits within the County Financial Management System (CFMS), and recover all overpayments. Perform testing of provider payments made through Trails and CFMS to determine the accuracy and validity of payments issued on the basis of Trails data.	93.658 93.659 (A)(B) HHS	Agree	6/2003	Dick Taylor (303)866-2732
71	217	Address interface problems between Trails and the County Financial Management System (CFMS) and improve controls over provider payments by (a) implementing modifications to correct provider matching issues between the two systems, (b) establishing provider payment limits that would allow counties to identify excessive payments, and (c) creating standard reconciliation processes to reconcile payments calculated by Trails to payments disbursed through CFMS and collect overpayments.	93.658 93.659 (A)(B) HHS	Partially agree	a. Implemented. b. To be considered by County Trails User Group February 2003 c. No date provided	Dick Taylor (303)866-2732

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72	219	Ensure that funding source codes are accurate in the Trails system by (a) implementing a system modification to correct the erroneous reversal of funding source codes, (b) requiring that counties submit funding source codes adjustment forms for all errors identified, and (c) providing training to all fiscal staff and caseworkers on entering funding source codes.	93.658 93.659 (A)(B) HHS	Partially agree	Implemented	Dick Taylor (303)866-2732
73	220	Enhance the Trails system so that changes made by caseworkers do not inadvertently approve a suspended payment.	93.658 93.659 (A)(B) HHS	Agree	In progress	Dick Taylor (303)866-2732
74	221	Ensure system problems with provider payments in Trails are addressed by (a) requiring that staff report all instances of improper payments to the Trails helpdesk, (b) requiring that the helpdesk notify all counties when system problems are identified, and (c) requiring that the helpdesk provide additional instructions to the workers when user errors are identified.	93.658 93.659 (A)(B) HHS	Agree	a. Implemented b. Implemented c. 6/2003	Dick Taylor (303)866-2732
75	224	Ensure reports from the Trails system are accurate and meet requirements by (a) providing specialized training to appropriate county workers on reports, (b) working with the counties and other stakeholders to identify critical reports and other reporting issues, and (c) establishing procedures to solicit courts to accept one established format for court documents.	93.658 93.659 (L) HHS	Agree	a. Implemented b. Implemented c. 3/2003	Dick Taylor (303)866-2732

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76	226	Continue to work with the Department of Health Care Policy and Financing to improve the interface between Trails, COIN, and MMIS.	93.777 93.778 (E) HHS	Agree	Ongoing	Dick Taylor (303)866-2732
77	231	Establish adequate controls to ensure that Colorado Works diversion expenditures are in compliance with requirements and meet the program's intent by (a) reviewing diversion case files as part of its periodic and ongoing TANF/Colorado Works monitoring process at county departments of social services, and follow up timely on issues identified; (b) using COIN data on diversion payments to perform periodic risk analyses on counties' Diversion Programs and to perform other follow-up; (c) developing written policies defining appropriate expenditures for diversion and communicating these to county departments of social services; and (d) requiring that all counties identify policies in their annual county plans to identify and recover diversion overpayments and reviewing the implementation of recovery policies.	93.558 (A)(B) HHS	Agree	a. 10/2002 b. 10/2002 c. Ongoing d. 10/2002	Dick Taylor (303)866-2732
78	233	Institute a formal review process for county Colorado Works annual plans for diversion by (a) assigning staff to review annual county plans, (b) establishing a method for providing feedback to counties regarding appropriateness of their plans within a specified time frame and ensuring that required changes are made timely, and (c) determining counties' compliance with their county plans through ongoing case file reviews.	93.558 (A)(B) HHS	Agree	a. 1/1/2003 b. 1/1/2003 c. 10/2002	Dick Taylor (303)866-2732

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79	237	Take immediate steps to address the problems identified in the audit regarding county "transitional" programs under TANF/Colorado Works diversion including (a) conducting detailed case file reviews of recipients and payments under county transitional programs and addressing and resolving instances of noncompliance and (b) ensuring that counties are adequately informed about the requirements for payments or services to appropriately be classified as "other assistance."	93.558 (A)(B)(G) HHS	Agree	a. 10/2002 b. Ongoing	Dick Taylor (303)866-2732
80	239	Verify identity and income information submitted by applicants for Colorado Works diversion by (a) processing all diversion applicants through Income, Eligibility, and Verification System (IEVS) on a timely basis, (b) submitting all identified identity and income discrepancies to the counties for investigation and follow-up, and (c) requiring counties to address and resolve discrepancies identified through IEVS in a timely manner.	93.558 (E) HHS	Agree	a. 10/2002 b. Ongoing c. 9/2002	Dick Taylor (303)866-2732
81	242	Ensure information in Colorado Works diversion casefiles is adequate by (a) establishing and communicating policies that outline the type of documentation to be maintained in county case files and (b) ensuring that counties implement existing state regulations requiring verification of specific applicant-provided information and other information affecting eligibility for diversion.	93.558 (A) (E) HHS	Agree	Ongoing	Dick Taylor (303)866-2732
82	243	Require that counties have policies in their county plans for granting any TANF benefits or services to county employees. Policies should ensure that eligibility determination is performed in compliance with requirements and that potential conflict-of-interest issues are addressed.	93.558 (A)(E) HHS	Agree	1/2003	Dick Taylor (303)866-2732

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83	246	Ensure that counties sufficiently document information used to determine eligibility, calculate benefit amounts, and determine adherence to timeliness standards for the Low-Income Energy Assistance Program (LEAP) by (a) requiring applicants to provide a social security number and date of birth for all household members and (b) continuing to emphasize the importance of documentation in training sessions.	93.568 (E) HHS	a. Disagree b. Agree	b. 9/16/2002	Dick Taylor (303)866-2732
84	248	Improve the timeliness of the application process by (a) implementing a time requirement for providing Crisis Intervention Program services, (b) continuing to emphasize the importance of documenting actions taken on cases, and (c) evaluating the 50-day time requirement for processing standard LEAP applications.	93.568 (P) HHS	a. Partially agree b. Agree c. Partially agree	10/1/2002	Dick Taylor (303)866-2732
85	252	Improve the accuracy of county administrative and outreach reporting for the LEAP program by (a) ensuring counties use an approved time reporting method, (b) developing and disseminating guidelines on the appropriate uses of administrative funds, (c) continuing to emphasize to county program and fiscal staff the importance of appropriately coding LEAP administrative expenditures, (d) requiring documentation for overexpenditures, and (e) reassessing methodology for allocating funds.	93.568 (B) (L) HHS	Agree	11/1/2002	Dick Taylor (303)866-2732
86	255	Improve LEAP program oversight by (a) developing a monitoring plan, (b) enforcing the corrective action plan requirement and following up on the plans in a timely manner, (c) monitoring benefit payments made to utility vendors, and (d) maintaining better communication with the Field Audits Section.	93.568 (M) HHS	a. Agree b. Agree c. Disagree d. Agree	a. 8/1/2002 b. 8/1/2002 d. 8/1/2002	Dick Taylor (303)866-2732

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87	258	Improve oversight of Crisis Intervention Program funds by (a) requesting counties randomly follow up with CIP recipients, (b) requiring service providers to submit detailed invoices that include a client signature, and (c) periodically contracting with private vendors to inspect a sample of CIP homes.	93.568 (M) HHS	a. Disagree b. Agree c. Disagree	b. 10/1/2002	Dick Taylor (303)866-2732
Division of Child Welfare Services						
88	261	Ensure the State is in compliance with federal and state requirements regarding adoption subsidy payments after children reach the age of 18.	93.659 (A) (B) (E) HHS	Agree	9/1/2002	Dick Taylor (303)866-2732
89	265	Improve how counties handle adoption subsidies when children are temporarily placed out of their adoptive homes.	93.659 (E) HHS	Agree	8/1/2003	Dick Taylor (303)866-2732
Department of Labor and Employment						
4	47	Perform a comparison of actual collections received for overpayments to the percentages used to adjust the allowance for doubtful accounts on an annual basis and adjust the percentages as necessary.	N/A	Agree	6/30/2003	N/A
5	48	Maintain copies of detail listings of all benefit overpayment accounts at fiscal year-end.	N/A	Agree	6/30/2003	N/A
6	49	Ensure that the "genesis!" system will generate reports listing benefits payable at any point in time and use this information to record benefits payable on the State's financial system.	N/A	Agree	6/30/2004	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
7	51	Ensure that reconciliations between all workers' compensation information systems and the State's accounting system are performed on at least a quarterly basis throughout the year and that any discrepancies between systems are resolved on a timely basis.	N/A	Agree	Implemented	N/A
90	268	Work with the State Treasurer to ensure that its draw methods and funding techniques achieve interest neutrality with the federal government.	17.225 (C) DOL	Agree	Implemented	Les Schenefelt (303)318-8101
Department of Natural Resources						
8	56	Improve the administration and monitoring of the procurement card program by ensuring that (a) all monthly procurement card statements are reviewed and signed by both the employee and the approving official, (b) all employees and approving officials have signed cardholder agreement and/or approving official forms, and (c) reviews of procurement card statements are performed in accordance with policy.	N/A	Agree	3/31/2003	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
9	58	Improve controls over capital assets by (a) performing an annual physical inventory at all of its locations; (b) establishing reasonable useful lives for original assets and additions to those assets based upon its own experience and documented assumptions and ensuring that the useful lives of improvements are the same as or less than the original asset; (c) raising its capitalization thresholds to the levels recommended by the State Controller's Office, or establishing other reasonable thresholds based upon documented experience; and (d) making the proper adjustments to the State's accounting system based upon the results of its physical inventory, its review of established useful lives, and its reevaluation of capitalization criteria.	N/A	a. Agree b. Agree c. Partially agree d. Agree	6/30/2003	N/A
State Board of Land Commissioners						
10	61	Improve surface lease procedures and systems through the following: (a) continuing to streamline its lease renewal process in order to reduce or eliminate the backlog, (b) billing for back rents on expired leases based upon the "hold-over tenant" concept, (c) recording revenue in the proper fiscal year, and (d) implementing the new State Management System (SAM) as soon as possible.	N/A	Agree	a. 9/1/2002 b. 6/30/2003 c. 9/1/2002 d. 6/30/2003	N/A
Division of Wildlife						
11	63	Request reimbursement for its GOCO-related expenditures on a monthly basis.	N/A	Agree	1/31/2003	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
12	65	Improve controls to reduce the number of cancelled payments by (a) ensuring vendor information is correct before issuing payments to vendors, (b) documenting the reason for cancelling a warrant on the original payment voucher, and (c) determining the reason for recurring problems with payment vouchers and strengthening management controls to prevent them from occurring in the future.	N/A	Agree	3/1/2003	N/A
Department of Personnel and Administration						
13	70	Improve the payroll function by (a) segregating the payroll processing and reconciliation duties, (b) reviewing employee personnel files and reconfirming that withholding documentation is accurate and complete, (c) implementing adequate supervisory reviews over the payroll calculation, and (d) ensuring adequate compensating controls are in place if payroll duties are not segregated.	N/A	Agree	a. 3/1/2003 b. 9/2002 c. 3/1/2003 d. 1/2003	N/A
14	72	Implement procedures to review Central Collections' supporting documentation prior to approval of payments.	N/A	Agree	7/1/2003	N/A
15	73	Properly classify revenue for TABOR purposes.	N/A	Agree	7/2002	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
State Controller's Office						
16	75	Refine the methods used to compile the statement of cash flows and the statement of revenues, expenses, and change in fund net assets by (a) working with higher education institutions to develop a consistent interpretation of Governmental Accounting Standards Board Statement No. 9 to be used in categorizing accounting transactions in the statement of cash flows and (b) assisting the Student Obligation Bond Authority to ensure that transactions are properly categorized and reported.	N/A	Agree	9/20/2003	N/A
Department of Public Health and Environment						
91	274	Work with the State Treasurer to ensure that the next amendment to the State-Treasury Agreement reflects the cash draw methods and funding techniques that achieve interest neutrality with the federal government.	10.557,10.558, 66.802 (C) DOL	Agree	7/1/2003	Adel Soliman (303)692-2104
Department of Regulatory Agencies						
17	79	Establish and maintain analytical review procedures over revenue for the Department's divisions and commissions, and investigate significant variations.	N/A	Agree	1/2003	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
Department of Revenue						
18	86	Develop controls to ensure that future TABOR credits are claimed and received only by eligible individuals by (a) identifying and billing individuals who were ineligible to claim TABOR credits; (b) implementing a methodology to verify taxpayers' federal adjusted gross income at the time a credit is claimed and to ensure that taxpayer's federal adjusted gross income at the time a credit is claimed; and (c) processing only complete returns, or evaluating alternative methods of ensuring that only qualifying credits are claimed, should the taxpayer fail to submit the required schedules.	N/A	a. Agree b. Partially agree c. Agree	a. 3/31/2003 b. None provided c. 12/31/2003	N/A
19	89	Enhance controls over manual adjustments made to taxpayer returns by (a) performing reviews of data entered into its system on all returns with income of \$10 million or more, (b) developing procedures for reviewing manual adjustments to tax returns made by the Problem Resolution Unit, and (c) ensuring that staff making manual adjustments to tax returns do not improperly override system-generated letters to taxpayers.	N/A	Agree	a. 1/1/2004 b. 6/2004 c. 6/2004	N/A
20	91	Develop and implement procedures to review charitable contribution deductions claimed by taxpayers.	N/A	Partially agree	7/1/2004	N/A
21	94	Resolve outstanding check issues to ensure that taxpayers receive their personal property tax refunds in a timely manner by working with the General Assembly to extend legislation to allow personal property tax refunds to be turned over to the Treasurer's Unclaimed Property Section.	N/A	Agree	12/2004	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
Office of the State Treasurer						
92	277	Obtain and use the most current and accurate information available on federal program expenditures to annually amend the Treasury-State Agreement.	10.551,10.553, 10.555, 10.557, 10.558, 10.561, 14.228, 14.871, 17.207, 17.258, 17.259, 17.260, 20.205, 66.802, 84.010, 84.027, 84.126, 84.340, 93.558, 93.563, 93.568, 93.575, 93.596, 93.658, 93.659, 93.667, 93.767, 93.778, 93.959, 96.001 (C) USDA, HUD, DOL, DOT, EPA, DOE, HHS, SSA	Partially agree	6/1/2003	Doug Windes (303)866-3253
93	278	Define the terms and methods used to establish funding techniques and draw patterns and provide to each department subject to the Agreement.	10.551,10.553, 10.555, 10.557, 10.558, 10.561, 14.228, 14.871, 17.207, 17.258, 17.259, 17.260, 20.205, 66.802, 84.010, 84.027, 84.126, 84.340, 93.558, 93.563, 93.568, 93.575, 93.596, 93.658, 93.659, 93.667, 93.767, 93.778, 93.959, 96.001 (C) USDA, HUD, DOL, DOT, EPA, DOE, HHS, SSA	Partially agree	6/1/2003	Doug Windes (303)866-3253

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
Department of Transportation						
22	103	Analyze invoices received for the costs incurred on construction projects, and record appropriate costs in accordance with the terms of the contracts.	N/A	Agree	12/31/2001	N/A
23	104	Ensure the proper recording of capital assets.	N/A	Agree	6/30/2003	N/A

Compliance Requirements

- (A) Activities allowed or unallowed
- (B) Allowable costs/cost principles
- (C) Cash Management
- (E) Eligibility
- (G) Matching, level of effort, earmarking
- (L) Reporting
- (M) Subrecipient monitoring
- (N) Special tests and provisions
- (P) Other

Federal Entities

BIA - Bureau of Indian Affairs
CSREES - Cooperative State Research, Education, and Extension Service
DARPA - Defense Advanced Research Agency
DOD - Department of Defense
DOE - Department of Education
DOI - Department of the Interior
DOL - Department of Labor
DOT - Department of Transportation
EPA - Environmental Protection Agency
HHS - Department of Health and Human Services
HUD - Department of Housing and Urban Development
IMLS - Institute of Museum & Library Services
NIST - National Institute of Standards and Technology
NOAA - National Oceanic & Atmospheric Administration
NSF - National Science Foundation
SSA - Social Security Administration
USDA - United States Department of Agriculture

APPENDIX B

Net Passed Audit Adjustments by Agency For The Fiscal Year Ended June 30, 2002 Increase (Decrease)

Agency Name	Assets	Liabilities	Fund Balance	Revenue	Expenditures
Agriculture	\$ 90,197	\$ 40,805	\$ -	\$ -	\$ (49,392)
Corrections	-	-	-	-	-
Education	-	-	-	-	-
Governor	-	-	29,091	(29,091)	-
Health Care Policy and Financing	(21,280)	-	-	-	21,280
Higher Education	(7,623,968)	(4,026,935)	990,916	(3,419,076)	1,168,873
Human Services	-	(32,000)	32,000	-	-
Judicial	(689,233)	-	(689,233)	-	-
Labor and Employment	(184,314)	-	2,129,297	(184,314)	2,129,297
Law	-	-	-	-	-
Legislative	-	-	-	-	-
Local Affairs	31,058	8,291	-	22,767	-
Military Affairs	-	-	-	-	-
Natural Resources	270,148	19,000	-	251,148	-
Personnel and Administration	94,576	-	85,235	11,145	1,804
Public Health and Environment	-	-	-	-	-
Public Safety	-	(120,000)	-	-	(120,000)
Regulatory Agencies	-	-	(279,909)	279,909	-
Revenue	(617,385)	1,126,081	-	(1,758,579)	(15,113)
State	-	-	-	-	-
Transportation	-	-	-	-	-
Treasury	-	-	-	-	-
Net Increase (Decrease)	\$ (8,650,201)	\$ (2,984,758)	\$ 2,297,397	\$ (4,826,091)	\$ 3,136,749

**Gross Passed Audit Adjustments by Agency
For Fiscal Year Ended June 30, 2002**

Agency Name	Assets		Liabilities		Fund Balance		Revenue	Expenditures		
Agriculture	\$	488,617	\$	40,805	\$	-	\$	91,366	\$	94,362
Corrections		-		-		-		-		-
Education		-		-		-		-		-
Governor		-		-		29,091		29,091		-
Health Care Policy and Financing		21,280		-		-		-		21,280
Higher Education		41,180,871		24,204,746		18,720,341		39,362,534		38,314,937
Human Services		-		1,189,258		110,374		668,224		-
Judicial		689,233		-		689,233		-		-
Labor and Employment		184,313		-		2,129,297		184,314		2,129,297
Law		-		-		-		-		-
Legislative		-		-		-		-		-
Local Affairs		830,640		8,291		-		39,349		413,600
Military Affairs		-		-		-		-		-
Natural Resources		270,148		19,000		-		289,148		-
Personnel and Administration		98,185		57,200		85,235		501,601		173,678
Public Health and Environment		-		-		-		-		-
Public Safety		-		120,000		-		-		120,000
Regulatory Agencies		-		-		279,909		279,909		-
Revenue		647,611		4,487,847		-		2,438,059		15,113
State		-		-		-		-		-
Transportation		-		-		-		-		-
Treasury		-		-		-		-		-
	\$	44,410,898	\$	30,127,147	\$	22,043,480	\$	43,883,595	\$	41,282,267

**Net Posted Audit Adjustments by Agency
For The Fiscal Year Ended June 30, 2002
Increase (Decrease)**

Agency Name	Assets	Liabilities	Fund Balance	Revenue	Expenditures
Agriculture	\$ 1,085,904	\$ 34,921	\$ -	\$ 996,125	\$ (54,858)
Corrections	-	-	-	-	-
Education	-	-	-	-	-
Governor	5,000	-	-	1,575,098	1,570,098
Health Care Policy and Financing	(29,284,556)	(28,248,952)	-	(1,675,801)	(640,197)
Higher Education	(278,535)	28,360,133	(28,082,943)	(6,038,102)	(5,482,377)
Human Services	(8,483,487)	(10,379,157)	150,188	(9,375,985)	(11,121,467)
Judicial	-	-	-	-	-
Labor and Employment	(5,499,902)	-	-	(5,499,902)	-
Law	-	-	-	-	-
Legislative	-	-	-	-	-
Local Affairs	-	-	-	-	-
Military Affairs	-	-	-	-	-
Natural Resources	1,809,322	-	2,185,899	(376,577)	-
Personnel and Administration	7,586,715	7,597,792	(1,373,392)	-	(1,362,315)
Public Health and Environment	-	-	-	12,693,881	12,693,881
Public Safety	-	-	-	-	-
Regulatory Agencies	-	-	813,513	(813,513)	-
Revenue	892,498	-	-	-	(892,498)
State	-	-	-	-	-
Transportation	(18,163,448)	-	(17,457,770)	-	705,678
Treasury	-	-	-	245,194	245,194
Net Increase (Decrease)	\$ (50,330,489)	\$ (2,635,263)	\$ (43,764,505)	\$ (8,269,582)	\$ (4,338,861)

**Gross Posted Audit Adjustments by Agency
For Fiscal Year Ended June 30, 2002**

Agency Name	Assets		Liabilities		Fund Balance		Revenue	Expenditures		
Agriculture	\$	7,432,628	\$	34,921	\$	-	\$	996,125	\$	252,960
Corrections		-		-		-		-		-
Education		-		407,734		-		-		-
Governor		5,000		-		-		1,575,098		1,570,098
Health Care Policy and Financing		29,284,556		34,689,080		-		1,675,801		7,080,325
Higher Education		95,330,261		67,690,196		65,596,877		195,563,742		11,122,815
Human Services		8,483,487		12,164,153		150,188		9,375,985		11,121,467
Judicial		-		-		-		-		-
Labor and Employment		5,500,098		-		-		5,500,098		-
Law		-		-		-		-		-
Legislative		-		-		-		-		-
Local Affairs		-		-		-		-		-
Military Affairs		-		-		-		-		-
Natural Resources		1,809,322		4,546,866		2,185,899		376,577		-
Personnel and Administration		7,586,715		20,337,792		1,373,392		-		15,168,211
Public Health and Environment		50,775,524		-		-		38,081,643		12,693,881
Public Safety		-		-		-		-		-
Regulatory Agencies		-		-		813,513		813,513		-
Revenue		892,498		1,045,858		-		-		892,498
State		-		-		-		-		-
Transportation		42,580,573		2,340,296		17,457,770		-		705,678
Treasury		593,455		103,067		-		245,194		245,194
	\$	250,274,117	\$	143,359,963	\$	87,577,639	\$	254,203,776	\$	60,853,127

APPENDIX C

General Fund Transfers For Fiscal Year Ended June 30, 2002

Bill Number	Agency	Fund Name	Amount Transferred to the General Fund
HB02-1391	Education	Read-to-Achieve	\$ 1,900,000
HB02-1391	Health Care Policy and Financing	Children's Basic Health Plan	900,000
HB02-1391	Judicial	Persistent Drunk Driver	500,000
HB02-1444	Judicial	Former Support Registry	346,879
HB02-1391	Labor and Employment	Unemployment Support	15,000,000
HB02-1391	Labor and Employment	Petroleum Storage Tank	4,000,000
HB02-1478	Labor and Employment	Major Medical	211,481,539
HB02-1391	Law	Uniform Consumer Credit Code	150,000
HB02-1391	Law	Collection Agency Board	462,000
HB02-1444	Local Affairs	Waste Tire Recycling	600,000
HB02-1444	Natural Resources	Species Conservation Capital	3,000,000
HB02-1391	Natural Resources	Species Conservation Capital	2,500,000
HB02-1391	Public Health and Environment	Hazardous Substance Response	30,000,000
HB02-1444	Public Health and Environment	Environmental Leadership	514,092
HB02-1391	Regulatory Agencies	Disabled Telephone User's	500,000
HB02-1391	Revenue	Trade Name Fund Balance	400,000
HB02-1444	Revenue	Colorado Dealer License Board	1,100,000
HB02-1391	State	Secretary of State Fees	1,200,000
HB02-1391	Transportation	State Rail Bank	500,000
HB02-1445	Treasury	Unclaimed Property	6,839,950
HB02-1392	Treasury	Unclaimed Property	3,130,221
HB02-1391	Treasury	Tobacco Litigation Settlement Cash	3,500,000
HB02-1445	Treasury	Tobacco Litigation Settlement Trust	138,123,849
HB02-1391	Treasury	Severance Tax Trust	20,200,000
HB01-1267	Treasury	Controlled Maintenance Trust	243,929,000
HB02-1391	Treasury	Controlled Maintenance Trust	9,500,000
HB02-1391	University of Colorado - Health Sciences Center	Fitzsimmoms Trust	18,400,000
HB02-1443	Various	Regular Capital Construction	53,545,000
HB02-1391	Various	Regular Capital Construction	17,496,575
			<u>\$ 789,719,105</u>